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RUEHGH/AMCONSUL SHANGHAI 1028  
RUEHSH/AMCONSUL SHENYANG 4763  
RUEHIN/AIT TAIPEI 3737  
RUEHGP/AMEMBASSY SINGAPORE 6928  
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SUBJECT: SEOUL - PRESS BULLETIN; July 22, 2009

TOP HEADLINES

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Chosun Ilbo, All TVs

Ruling GNP Poised to Railroad Disputed Media Reform Bills by Having  
National Assembly Speaker Invoke Authority to Put the Bills to Vote

JoongAng Ilbo

GNP's Final Version of Media Reform Bills Calls for Newspaper  
Companies with Only Less than 25 Percent of the Country's Total  
Readership to be Allowed to Enter Broadcasting Industry

Dong-a Ilbo

ROK Issues New Unification Education Guidelines Describing N.  
Korea's Political System as "Regressive"

Hankook Ilbo

Countdown to "Big Clash" at National Assembly  
Opposition DP Lawmakers Threaten to Resign En Masse if Ruling GNP  
Railroads Media Reform Bills

Hankyoreh Shinmun

Ruling Party Bent on Opening the Way for Major Conservative  
Newspapers to Control Broadcasting Industry

Segye Ilbo

Sources Knowledgeable about N. Korea: "There is Nothing Wrong with  
Kim Jong-il's Health"

Seoul Shinmun

Signs of Inflation in ROK Asset Markets

DOMESTIC DEVELOPMENTS

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Officials from the U.S.-based Lockheed Martin and Hyundai Heavy  
Industries said yesterday that they would jointly produce an Aegis  
mid-sized high-tech guided missile vessel and sell it to a third  
country. (JoongAng, Dong-a, Hankyoreh, Seoul)

INTERNATIONAL NEWS

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Foreign ministers of the five countries of the Six-Party Talks, excluding North Korea, gathered in Phuket, Thailand yesterday for the first time since North Korea's second nuclear test to attend the ASEAN Regional Forum (ARF). The foreign ministers are likely to discuss a "comprehensive package" for North Korea's denuclearization, which was mentioned in Seoul by Kurt Campbell, U.S. Assistant Secretary of State for East Asian and Pacific Affairs. (JoongAng)

In a related development, a North Korean delegation to the ARF was quoted as saying, when asked about whether they would meet with the U.S. side, "It will depend on the situation." (JoongAng, Hankook, Hankyoreh, Segye, Seoul)

#### MEDIA ANALYSIS

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-ASEAN Regional Forum/ N. Korea

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Right-of-center JoongAng Ilbo ran an inside-page report noting that the July 22-24 ASEAN Regional Forum (ARF) in Phuket, Thailand will provide an opportunity for the five countries of the Six-Party Talks, excluding North Korea, to come together for the first time since the North's second nuclear test. The report speculated that the foreign ministers of the five countries are likely to discuss a "comprehensive package" for North Korea's denuclearization, which

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was mentioned in Seoul by Kurt Campbell, U.S. Assistant Secretary of State for East Asian and Pacific Affairs.

In a related development, most ROK media quoted a North Korean delegation to the ARF as saying, when asked about whether they would meet with U.S. officials at the ARF, "It will depend on the situation."

Moderate Hankook Ilbo and Seoul Shinmun carried a quote from Secretary of State Hillary Clinton, who said in a July 20 ABC interview that she is "very hopeful" that the two American journalists detained in North Korea will be freed. The newspapers interpreted this remark as indicating that behind-the-scenes negotiations between the U.S. and North Korea to release the journalists may be yielding tangible results.

#### OPINIONS/EDITORIALS

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NO MORE RASH OFFERS TO N. Korea  
(Chosun Ilbo, July 22, 2009, Page 27)

Citing comments made in a recent video meeting between the Financial Supervisory Commission and U.S. investment bank Goldman Sachs, the Financial Times reported Tuesday that South Korea is preparing a US\$40 billion aid fund to lure North Korea back to nuclear disarmament talks. A government official denied the FT report, saying no specific plans were mentioned during that meeting, but the official added it "marks the start of efforts to draw global interest in 'Vision 3000: Denuclearization and Openness.'" (Vision 3000] was an election pledge of President Lee Myung-bak that calls for boosting North Korea's per capita national income to \$3,000 in a decade in return for denuclearization and opening.

Kurt Campbell, U.S. Assistant Secretary of State for East Asian and Pacific Affairs, said in Seoul earlier this week, "if North Korea is prepared to take serious and irreversible steps, the U.S., South Korea, Japan, China and others will be able to put together a comprehensive package that would be attractive to North Korea." In other words, the U.S. government would continue to use pressure and sanctions to get North Korea to give up its nuclear weapons and missiles, but dialogue must resume at some point to end the nuclear standoff; South Korea and the U.S. are considering major incentives for North Korea if it complies.

The "Vision 3000" statement contains plans such as: nurturing 100 North Korean export companies; training 300,000 workers; and (constructing] a new highway connecting Seoul and Pyongyang. These projects dwarf all previous South Korean aid to North Korea in terms of size and cost. There is speculation that Lee may announce this plan during his speech commemorating Independence Day on Aug. 15.

The government must heed, however, the lessons of past failed efforts that used carrots to entice North Korea to abandon its nuclear weapons. Nor can South Korea be left paying 70 percent of the costs, as it ended up doing as part of the 1994 Geneva Accords, a process to which the South was not even allowed to attend. What is needed is a rational division of costs, involving international organizations as well as the other countries in the Six-Party Talks.

President Lee said recently, "We gave huge amounts of money to North Korea over the past decade, but there are suspicions that the money was used to arm North Korea with nuclear weapons, rather than helping it open itself to the outside world." The main reason why previous administrations get such criticism is that support for North Korea did not result from a widespread public consensus in South Korea, and that the process was not transparent. This administration must not repeat those mistakes.

(This translation was provided by the newspaper, and with our edits is identical to the Korean version.)

STEPHENS